Report to Congressional Requesters

July 1986

CONSUMER PRODUCT SAFETY COMMISSION

Allegations About a Former Commissioner





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United States General Accounting Office Washington, D.C. 20548

Human Resources Division B-223313

July 22, 1986

The Honorable Larry E. Craig Ranking Minority Member Subcommittee on Commerce, Consumer, and Monetary Affairs Committee on Government Operations House of Representatives

The Honorable Chic Hecht
The Honorable Jesse Helms
The Honorable James A. McClure
The Honorable Steve Symms
United States Senate

In response to your March 1986 requests, we have reviewed certain allegations regarding Stuart M. Statler, a Commissioner of the Consumer Product Safety Commission (CPSC). This report contains the results of that review. Mr. Statler became a commissioner in August 1979. His term of office was scheduled to expire in October 1986, but in March 1986 he announced his resignation which became effective June 1, 1986.

Specifically, we were asked to determine whether Mr. Statler had ever

- used CPSC staff to perform work related to his wife's employment;
- had CPSC personnel examine, repair, evaluate, monitor, test, or sample any of his personal consumer products or items at his two Virginia residences; or
- requested CPSC staff to perform work related to personal business or personal matters.

We were also asked to review and evaluate Mr. Statler's travel expenses to and from Chicago, Illinois, to ascertain if such travel was related to personal business concerning his wife or her family. Additionally, in a subsequent discussion with the Office of the Ranking Minority Member of the House Subcommittee, we were asked to interview certain individuals to inquire if they knew of any instances in which Mr. Statler may have used government mailing privileges for personal purposes.

Because documentation was not available for some of these issues, we obtained information relating to them through interviews with present and former CPSC employees who may have had knowledge of them. Most people we interviewed provided their information under oath.

As discussed with your offices, the issue concerning the use of CPSC staff or personal staff to do work relating to his wife's employment was referred by the CPSC Acting Chairman to the Office of Government Ethics, which, in turn, referred it to the Office of Personnel Management's (OPM's) Inspector General for investigation. Accordingly, we did not do any work on this issue.

opm's Inspector General issued its investigative report on May 23, 1986. The Director of the Office of Government Ethics advised us that, based on the Inspector General's report, he orally recommended to the then Acting Chairman that disciplinary action be taken against Mr. Statler. However, in a June 2, 1986, letter to the Director of the Office of Government Ethics, the Acting Chairman expressed uncertainty regarding the jurisdiction of the Chairman to take disciplinary action against individual commissioners. Therefore, the Acting Chairman said she was reluctant to proceed any further in addressing the results of the Inspector General's investigation other than offering personal observations. In an earlier letter to Mr. Statler dated May 30, 1986, the Acting Chairman noted that, from her reading of the investigative report, it appeared that the staff activities involving Mrs. Statler's employment were, to a great extent, the result of a series of miscommunications, faulty assumptions, and errors in judgment.

In a June 27, 1986, letter, the Director, Office of Government Ethics advised the former Acting Chairman that, based on the investigative report he believed "stronger action was warranted regarding Commissioner Statler." He noted in his letter that he had recommended, as a minimum, an official reprimand. However, he also said he considered the matter closed because the then Acting Chairman decided not to take disciplinary action.

Concerning the other issues, which are discussed in more detail beginning on page 8, we found that:

cpsc engineering staff visited Mr. Statler's residence in Arlington, Virginia, on three occasions—all three at the engineering staff's own request to examine a specific safety matter of pending concern to them

Because we could not identify any personal benefit to Mr. Statler as a result of any of the three staff visits, we do not believe Mr. Statler violated the Employee Standards of Conduct prohibition against using public office for private gain.

However, one of the engineering staff's visits was made to monitor the replacement of a gas valve in Mr. Statler's home by a representative of the valve manufacturer. Mr. Statler said that he suspected the gas valve on his furnace was leaking and he had it inspected by the local gas company who offered to replace it at a cost of \$125. Instead of having the local gas company replace the valve, he wrote to the valve manufacturer in his official capacity and on CPSC stationery to register a complaint and seek corrective action.

In using his official title and position to solicit corrective action by the valve manufacturer of a problem affecting his personal residence, Mr. Statler engaged in conduct which may give the appearance of using his public office for private gain. Mr. Statler stated that he wrote the letter on CPSC stationery and signed in his official capacity because he felt obligated to disclose his position to the manufacturer.

• In addition to his Arlington home, Mr. Statler owns a home on farm land near Front Royal, Virginia Mr. Statler stated that over a period of several years, he had entertained several hundred guests, including about 30 present or former CPSC employees and two commissioners, at his Front Royal residence. According to Mr. Statler, many of his guests enjoyed recreational activities and participated in farm-related chores with him and his wife

The chores performed by Mr. Statler's guests were of relatively brief duration and appear to have been performed to reciprocate for hospitality provided by Mr. Statler in the farm setting. Under these circumstances, we do not believe they constitute a gift of services from a subordinate or create an appearance of using public office for private gain which are prohibited by the Standards of Conduct

- Since becoming a commissioner, Mr. Statler has made 10 trips, over a 7-year period, to Chicago, Illinois, or its environs. These related to official CPSC business. During 6 of the 10 trips, Mr. Statler also took some time off for personal leave. Mr. Statler did not claim any expenses on his vouchers for any of the period for which he took personal leave. Mr. Statler's use of personal leave while in travel status does not violate government travel regulations or CPSC's travel policy on this matter
- Regarding use of government mail, Mr. Statler denied any such use and his special assistant and secretary—who both served him for more than a 5-year period—knew of no instance where Mr. Statler used government mail for personal matters

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its issue date. At that time, we will send copies to the Chairman of CPSC and Mr. Statler and will make copies available to others on request.

Richard L. Fogel

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Director

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Abbreviations

| CPSC | Consumer Products Safety Commission |
|------|-------------------------------------|
| EPA | Environmental Protection Agency |
| GAO | General Accounting Office |
| OPM | Office of Personnel Management |

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Allegations Concerning Mr. Stuart M. Statler

Mr. Statler became a commissioner of the Consumer Product Safety Commission (CPSC) in August 1979, and served as acting chairman for the period February 1981 to May 1981. His term of office was scheduled to expire in October 1986, but in March 1986, he announced his resignation which became effective on June 1, 1986.

On March 13, 1986, Representative Larry E. Craig, Ranking Minority Member, Subcommittee on Commerce, Consumer, and Monetary Affairs, House Committee on Government Operations, asked us to look into a number of allegations relating to Mr. Statler (see app. I). Specifically, we were asked to determine whether Mr. Statler had ever

- used CPSC's Office of General Counsel for personal purposes, including work related to his wife's employment;
- had CPSC personnel examine, repair, evaluate, monitor, test, or sample any of his personal consumer products or items at his two residences one is in Arlington, Virginia, and the other is near Front Royal, Virginia; or
- requested CPSC staff to perform work related to personal business or personal matters.

We were also asked to review and evaluate his travel to and from Chicago, Illinois, paid for or reimbursed by CPSC to determine if such travel was related to personal business concerning his wife or her family.

On March 19, 1986, Senators James A. McClure, Chic Hecht, Steve Symms, Jesse Helms, and the late John East asked us to determine if Mr. Statler had ever requested CPSC staff or his personal staff to perform work related to personal business or to his wife's current or past employment (see app. II).

In an April 1986 discussion with the Office of the Ranking Minority Member of the Subcommittee, we were asked to interview certain individuals to determine if Mr. Statler used government mail for his personal business.

Scope and Methodology

Our examination was generally limited to work necessary to address the allegations, except that we did not examine the issue of CPSC's Office of the General Counsel researching a question relating to the employment of Jean Statler, Stuart Statler's wife. At the time we began our work, that issue was under investigation by the Office of Inspector General, Office of Personnel Management (OPM). CPSC referred this issue to the

Office of Government Ethics which, in turn, referred it to OPM for investigation Accordingly, we did not do any work on this issue.

Some of the allegations related to issues for which documentation was not available. Therefore, we sought to determine the specifics by interviewing present and former employees who had knowledge of the allegations, including present and former CPSC employees and a former CPSC chairman. Most persons interviewed provided information under oath, except for some follow-up questions asked by phone. In addition to those interviewed under oath, we interviewed a former CPSC chairman and a number of former employees by phone.

We examined CPSC documents relating to Mr. Statler's travel since his appointment as a CPSC commissioner in 1979. We also examined CPSC public calendars to identify the purposes of Mr. Statler's trips. We examined travel authorizations and vouchers obtained from the Environmental Protection Agency (EPA) relating to travel performed during. December 1983 through January 1985 by his wife, Jean Statler, while she was employed by EPA. This was done to determine whether Mr. and Mrs. Statler performed official travel for their respective agencies to the same location during the same period of time.

We examined CPSC's policies relating to administration of travel and work performed by CPSC staff pursuant to the commissioners' request, but we did not visit either of Mr. Statler's residences in Arlington or Front Royal, Virginia, where it was alleged that CPSC staff had tested and examined Mr Statler's personal consumer products and/or performed work. Our examination was conducted at CPSC headquarters offices in Washington, D.C., and Bethesda, Maryland, and at EPA headquarters in Washington, D.C., from March through May 1986 Several of the persons we interviewed were former CPSC employees who were currently working at other government agencies or in the private sector.

Allegation: Use of CPSC Staff to Work on Mr. Statler's Personal Consumer Products at His Residences. It was alleged that Mr. Statler used CPSC staff to examine, repair, evaluate, monitor, test, or sample personal consumer products or items at his residences.

Findings

On three occasions, CPSC engineering staff visited Mr. Statler's residence in Arlington, Virginia—all three occasions were made at the staff's request to examine a specific safety matter of pending concern to them. CPSC's General Counsel said he would recommend against such visits to avoid the appearance of using public office for private gain. While the Employee Standards of Conduct prohibit gifts, including in-kind services, to official supervisors, we do not believe these standards were violated as we did not find evidence that Mr. Statler personally benefited from the three visits

However, one of the three visits concerned a complaint about a suspected leak in the gas valve on his furnace for which Mr Statler used his official title and position to solicit corrective action by the valve manufacturer and thereby engaged in conduct which may give the appearance of using public office for private gain, contrary to the Commission's Standards of Conduct

The CPSC staff we interviewed said that the three visits were made in connection with previously initiated CPSC inquiries into possible consumer product hazards. One of these visits was made to examine the instructions on relighting the pilot light on a gas furnace. On another occasion, a staff member visited Mr. Statler's residence concerning a malfunctioning toaster oven (considered unique because of its electronic circuitry). A third visit was made in connection with a suspected leak in a furnace gas valve which was being investigated and replaced by the valve manufacturer.

The CPSC Director of Engineering, who was present on two of the three occasions, said CPSC had previously undertaken a project to determine the cause of a number of explosions and fires involving gas valves in furnaces and water heaters, and two visits were made relative to this project According to the Director, the other visit involving a toaster oven malfunction, was made because he personally thought the problem was related to a microcircuitry problem—an ongoing CPSC project.

The first visit to Mr. Statler's residence was in the fall of 1982 During a Commission meeting in which the Commission's gas appliance project was discussed, Mr. Statler mentioned that, in having recently relit the gas pilot light of his furnace, he had experienced difficulty understanding and following the instructions for relighting.

Mr Statler told us that after the meeting he discussed the problem further with the Director of Engineering who asked to visit Mr Statler's home to check the instructions and determine whether this might be a generic problem. According to the Director, based on this discussion, he and a CPSC engineer visited Mr. Statler's Arlington residence to examine the lighting instructions that were affixed to the furnace. CPSC's Director of Engineering told us this visit was an opportunity to learn more about the problems that might be occurring with gas appliances and valves. He said that subsequent to this visit, new lighting instructions were developed by the industry and are now used in conjunction with gas furnaces and other gas appliances of all types.

During a second visit relating to the electronic toaster oven, the Director of Engineering visited Mr. Statler's Arlington residence in April or May 1983, after Mr. Statler related to him a problem he was experiencing with a toaster oven he had recently purchased. Mr. Statler told us he was concerned that the malfunction in the oven—relating to its microcircuitry—could pose a fire hazard and that he had already arranged to have it returned for a replacement. According to Mr. Statler, the Director indicated an interest in viewing the unit, prior to its return, and requested to visit Mr. Statler's home to check it.

The Director told us he visited Mr. Statler's home because he thought the malfunction might have been related to voltage changes in the home's electrical service, which he tested during his visit. This in turn, the Director indicated, might represent a general problem associated with the failure of microcircuitry in consumer products. If so, Mr. Statler noted, this could have major safety implications for a host of other consumer products. This, according to Mr. Statler, was being treated at the time by CPSC as a possible emerging hazard and was being brought to the attention of industry, and Underwriters' Laboratories. Mr. Statler noted that over the next several years, he wrote several nationally syndicated articles on the problem and personally worked with industry to address these concerns.

The Director said that he did not test, examine, or repair Mr. Statler's toaster oven. In view of the problem Mr Statler experienced, the Chief of the Instrumentation Branch, Engineering Sciences, CPSC Laboratory, said that as part of CPSC's investigation of microcircuitry and toaster oven problems, CPSC purchased a toaster oven identical to Mr Statler's oven for testing and examination. The Director of CPSC's Division of Electrical and Structural Engineering said that, as part of this project, CPSC tested other toaster ovens that it purchased as well as some that were donated by consumers and CPSC employees.

The Director of Engineering said a third visit to Mr. Statler's residence was made in response to a call from Mr. Statler inquiring how to contact the manufacturer of the gas valve that was on his furnace to report that it was leaking. Mr. Statler told us that he called the Director after he had the furnace checked by the local gas company who found the valve leaking significant and potentially explosive amounts of gas and offered to replace the valve at a cost of \$125.

He said that rather than have the gas company replace the valve, he wrote to the valve manufacturer in Indiana because he knew CPSC already had recalled many gas valves—including some made by the manufacturer of the valve on his furnace—and he believed the hazardous situation in his home was created by a defect in his valve for which the manufacturer was responsible. Mr. Statler's correspondence with the manufacturer was on CPSC stationery and was signed in his official capacity. In response to his letter, according to Mr Statler, the president of the gas valve company called him and arranged for its "head of engineering" to immediately visit Mr. Statler's home to replace the gas valve whether or not it was defective so it could be examined at the manufacturer's facility.

Mr. Statler said he informed CPSC's Director of Engineering of the scheduled visit by the manufacturer's representative (who was the company's chief engineer for its gas valve division) and that the Director asked permission for a CPSC engineer to monitor the replacement of the valve. The Director told us that, on his own initiative, he sent a CPSC engineer to Mr. Statler's home to observe the findings of the valve manufacturer, as the problem was related to a major CPSC gas valve hazard project. According to Mr. Statler, although the manufacturer's engineer did not find a problem with the inner workings of the valve, there was a malfunction that was safety related and therefore the manufacturer had it replaced. According to the CPSC engineer who observed the manufacturer's replacement of the valve at Mr. Statler's home, no defect was found in the valve at the time it was replaced or in subsequent testing.

The CPSC engineer told us that he spent most of a day at the house; most of which was spent waiting for the valve manufacturer's engineer to arrive. By Mr. Statler's recollection, the CPSC engineer was at Mr. Statler's residence approximately 3-4 hours, because the manufacturers' engineer was late in arriving. The CPSC engineer said this visit occurred in December 1983.

The CPSC Director of Engineering and other CPSC engineers we interviewed said that when CPSC initiates an investigation into reported problems with consumer products, it is a common practice to post in the CPSC facilities a notice soliciting comments from CPSC employees concerning problems they may have experienced with the consumer products being investigated. If CPSC staff members own such products, CPSC will examine and test the products for defects with the staff member's permission. The Director of Engineering said it was his division's policy to examine and test, but not to repair or replace any consumer products found to be defective. Consistent with this policy, the Director and the CPSC engineer who visited Mr. Statler's Arlington residence said they did not fix or repair any products or equipment during any of their three visits. The Director said he could not recall any other time when CPSC staff made similar visits to a commissioner's home, but that many such visits were made to homes of CPSC staff.

CPSC policy requires that any work requested by a commissioner likely to require roughly 2 hours or more of CPSC staff time be transmitted through CPSC's Executive Director. The purpose of this policy is to assure that major requests received from commissioners are properly treated without unduly disrupting ongoing staff work. However, according to Mr. Statler, and as confirmed by the Director of Engineering, Mr. Statler did not request CPSC staff to visit his Arlington residence on any of the three occasions discussed above. He said that in each instance the Director indicated an interest in the problem and requested to visit his home.

Mr. Statler said it is the responsibility of a CPSC commissioner to bring to the attention of the Commission and its staff any consumer product problems that have safety implications. He said that while it would be improper for CPSC staff to visit a commissioner's home simply to check the performance of a consumer product unrelated to a safety problem, it would not be improper for CPSC staff to visit a commissioner's home, a supervisor's home, or the home of any consumer including members of Congress, to check on a safety hazard. It was Mr. Statler's opinion—shared by the Director of Engineering—that all three visits to his residence involved a safety hazard.

We discussed these visits with CPSC's General Counsel who is also the Designated Agency Ethics Official. In a May 28, 1986, letter to us, the General Counsel said his office, to his knowledge, has never been approached by a CPSC commissioner or staff member for an opinion on

the propriety of a work-related visit to a commissioner's personal residence nor has his office issued specific guidance on the subject. However, he said that, as a general matter, his office would recommend that a Commission employee not conduct work-related activities at the home of a commissioner.

The General Counsel said that the Consumer Product Safety Act bestows certain quasi-judicial responsibilities upon members of the Commission, and such activities can call into question the impartiality and objectivity demanded of a commissioner in a particular matter Although such problems can be remedied to a degree by subsequent recusal of the commissioner in any pending adjudicatory proceeding, the ability of the commissioner to render full-time service to the Commission can be compromised. Unless the commissioner happened to have in his home a consumer product that was unique, he said he would find such a visit difficult to justify given these potential problems. But he said, based on our findings, he could not identify any particular CPSC proceeding which has in fact been compromised by the actions of CPSC personnel involved.

The CPSC Director, Division of Corrective Actions, Directorate of Compliance and Administrative Litigation, could not recall any adjudicatory proceedings involving the products that were the subjects of three visits to Mr. Statler's Arlington residence. Therefore we know of no basis to conclude that the staff visits compromised any particular action before the Commission.

The General Counsel said he would recommend against such visits for a second reason. The Employee Standards of Conduct prohibit gifts, including in-kind services, to official supervisors. The General Counsel said an employee should avoid any action which might result in or create the appearance of using public office for private gain. Because CPSC staff members are in a subordinate position to a CPSC commissioner, he said it is incumbent upon members of the Commission to avoid circumstances where it appears that they might be benefiting themselves privately through the use of CPSC staff and resources.

Mr. Statler noted that in connection with all three of these visits, no benefit of any kind was conferred upon him. No repairs were made. He said that the gas valve was already being replaced by the manufacturer and the toaster oven was already scheduled to be returned for a replacement not having the unique microcircuitry feature.

Because we could not identify any personal benefit to Mr. Statler as a result of any of the three CPSC staff visits to his Arlington residence, we do not believe that those visits violated the Standards of Conduct prohibition against using public office for private gain. As a general policy, however, we agree with the view expressed by the General Counsel that this type of situation should be avoided because it may create the appearance of using public office for private gain.

We believe that a problem is posed, however, by Mr. Statler's use of his official position to register a complaint with the manufacturer of the valve on the gas furnace in his personal residence. The letter to the manufacturer was written on CPSC stationery and was signed by Mr. Statler in his official capacity. It alludes to his official concern for consumer safety, but dwells at length on the particular problem of gas leaking from his own furnace. It concludes by noting that he had reported the matter to CPSC's Director of Engineering and by soliciting corrective action on the part of the manufacturer.

The manufacturer's legal counsel told us that the manufacturer did not routinely use a chief engineer to investigate consumer complaints. He said a manufacturer's representative might visit a consumer's home to investigate an accident involving one of its gas valves or a complaint involving a serious gas valve problem. However, the legal counsel said that because the manufacturer received a complaint from Mr. Statler, a CPSC commissioner, on CPSC stationery, it sent the chief engineer of its gas valve division in Indiana to investigate the complaint in view of CPSC's pending concern with the safety of gas valves

The CPSC Standards of Conduct provide that employees shall avoid any conduct which gives the appearance of using public office for private gain. In using his official title and position to solicit corrective action by the valve manufacturer of a problem affecting his personal residence Mr. Statler engaged in conduct which may give the appearance of using his public office for private gain.

Mr Statler stated that because the valve posed a potential hazard, he believed he had an obligation to the manufacturer to make disclosure of his position as a CPSC commissioner. He stated that he wrote the letter on CPSC stationery and signed in his official capacity because he felt it would have been unfair to the manufacturer to do otherwise.

Allegation: Use of CPSC Staff to Perform Work Related to Personal Business or Matters

It was alleged that Mr. Statler used CPSC staff to perform work related to his personal business or personal matters.

Findings

In addition to his home in Arlington, Virginia, Mr. Statler owns a home on 180 acres of farm land near Front Royal, Virginia According to Mr Statler, over the past several years about 30 present or former CPSC employees and two commissioners had been guests on weekends or holidays, exclusively for social purposes. Ten of the 21 persons we interviewed engaged in farm-related activities during their visits. CPSC's General Counsel told us that the opinion he expressed regarding CPSC staff visits to a commissioner's home to perform Commission-related work would, in general, also apply to staff performing chores while visiting a commissioner's home for social purposes. The tasks, which generally were of brief duration, appear to have been performed to reciprocate for hospitality provided by Mr. Statler and, therefore, we do not believe the performance of such tasks violated the Employee Standards of Conduct.

Mr Statler told us that he has often invited guests on weekends to visit with him and his wife at their Front Royal farm. He said that most of his guests enjoyed recreational activities while there, and participated in farm-related activities with him and his wife. The farm activities, according to Mr Statler, may involve seeding the lawn, planting flowers, gathering in hay, picking berries, taking down barbed wire, bringing in wood for the fireplace, painting a shed or the house, cleaning up the woods, cutting up trees, or working on a dam. Recreational activities included volleyball, touch football, softball, and swimming.

Mr. Statler advised us that over a period of several years, several hundred visitors, including about 30 present or former CPSC employees and two commissioners, had been guests at his Front Royal farm—many overnight or for an entire weekend—and that many had participated in various recreational and farm activities. We interviewed 21 of these people We did not interview the remaining 11 as some were no longer in the area or we were not able to contact them. Seventeen persons said

they visited the Statler residence 1 time, three visited from 2 to 3 times, and one visited about 12 to 15 times.

All those that we interviewed said they were invited to the Front Royal farm for social and recreational purposes and that was how they viewed their stay. Ten said they performed some incidental farm chores during their visits which took place on a weekend or a holiday; the other 11 said they did not perform any such activities at the Front Royal farm. Three people, who were CPSC presidential management interns, visited the farm once for a weekend and said they helped paint a small shed. They added that one other presidential management intern, whom we did not interview, also helped. They estimated the time spent painting ranged from less than 1 hour to 2 hours. The rest of the time was spent in recreational activities or eating and sleeping.

Six others who participated in chores at the farm during their single visit included:

- Three who helped repair a rock dam on a stream that runs through the property. They estimated they spent up to about 30 minutes on the dam.
- One who "picked up rocks" on the property while on a walk.
- One who spent about 1 hour helping clear brush from around fencing.
- One who spent about 1-1/2 hours removing paint from a patio.

All nine individuals said they viewed their visit to the farm as exclusively social in nature, and that they voluntarily participated in these activities and were not coerced or compelled to participate.

Additionally, one former intern, who participated in the farm chores, said he became a close personal friend with Mr. and Mrs. Statler, and had visited the Statler farm on about 12 to 15 occasions over a period of several years. He said that over the years he and the Statler's have exchanged favors and estimated that on 8 to 10 of his visits he spent varying amounts of time performing such activities as removing spilled paint from a patio floor and taking down fencing. He said on one visit, he spent 6 to 8 hours helping paint the farm house, and on another visit about 8 or 9 hours helping build a rock dam on a stream. He said some of these visits occurred after he had accepted employment with another government agency. He explained that, on occasion, he has been given the privilege of using the farm entirely on his own.

All persons we interviewed who visited the Front Royal farm said they had not performed any work at Mr. Statler's Arlington home, and said

they perceived their participation in chores at the farm to have been voluntary and without coercion.

Mr. Statler said that a principal reason for having CPSC staff and fellow commissioners as guests at his farm was to get better acquainted with them, to understand their thinking and aspects of their life outside of work, and to learn about their character, personality, integrity, interests, and future goals. He said he invited the presidential management interns because they were new to the agency and indicated that he viewed the social contacts as an opportunity to assess them as possible additions to his staff. He said he hired one of the interns.

In general, we would agree with CPSC's General Counsel that the performance of chores by subordinates at the home of any agency official should be avoided because the very relationship between the two individuals may give rise to an appearance that the official is using his public office for private gain. The Standards of Conduct prohibit a subordinate from giving a gift to an official superior. They do not, however, prohibit social relationships between agency officials and their subordinates and we do not believe they restrain the nature of that social relationship to a degree that a weekend guest who happens to be a subordinate may not offer to perform incidental chores such as those performed by the guests at Mr. Statler's farm. In Mr. Statler's case, the chores performed by his guests were of relatively brief duration and appear to have been performed to reciprocate for hospitality provided by Mr. Statler in the farm setting. Under these circumstances, we do not believe they constitute a gift of services from a subordinate or create an appearance of using public office for private gain.

Allegation: Use of Official Travel and Expenses Related to Personal Business

It was alleged that Mr. Statler used official funds to finance travel to conduct personal business concerning his wife or her family in the Chicago area.

Findings

Since becoming a CPSC commissioner in August 1979, Mr. Statler made 10 trips over a 7-year period to Chicago, Illinois, or its environs relating to official CPSC business. During six of these trips he took personal leave and visited family and friends. At approximately the same period, he made 39 business-related trips to other locations and in some cases took

personal leave. Mr. Statler did not claim reimbursement on his government travel vouchers for travel costs while on personal leave and did not violate government travel regulations or CPSC travel policy by taking personal leave while on official travel status

We reviewed all of Mr. Statler's official travel at CPSC since he became a commissioner in 1979. We also reviewed his wife's official travel while employed at EPA to determine whether the two of them performed official travel to the same location during the same period of time. Three of the six trips to Chicago were made during the Christmas season and Mr. Statler took some time off for personal leave. According to Mr. Statler, he visited his wife's family who reside in Jacksonville, Illinois, some 300 miles away, while on personal leave. Travel costs to Jacksonville were not claimed on his government travel vouchers. During the same 7-year period, Mr. Statler noted that he and his wife had been back to Jacksonville, Illinois, an average of more than twice yearly or, all told, some 15 times, entirely at their own expense. During the other three agency trips in which he took personal leave, he visited with friends and did not claim any expenses on his voucher for any of the period in which he took personal leave.

The 10 trips to Chicago covered a total of 47 days. Mr. Statler's travel vouchers indicate that 23 of these days were predominantly devoted to official duties and the remaining 24 days represented predominantly personal leave. The travel vouchers also showed that lodging was charged to the government for only three nights during these 10 trips, and that subsistence expenses were charged for all or a portion of only 15 days.

CPSC regulations provide that the public should be notified, whenever practicable, of all meetings in advance involving "matters of substantial interest." Commissioners are responsible for providing information about meeting arrangements for publication in the agency's Public Calendar at least 7 days before a meeting. Where a 7-day advance notice of the meeting cannot be provided, notice of the meeting should be published as an addendum to the next Public Calendar. Information in the calendar should include probable participants and their affiliations, time and place of the meeting, subject, and who requested the meeting.

Notice of 9 of Mr. Statler's 10 trips to Chicago was published in the calendar. Five of the nine trips, according to the calendar, did not involve matters of substantial interest. The one trip for which notice was not published was made in 1979 and was his first trip as a Commissioner.

Mr. Statler said this trip, which involved visits to two laboratories, did not involve any regulatory matter or "matter of substantial interest" as covered by the policy. Nevertheless, he indicated that he had intended to include the meeting on the calendar and that its omission was inadvertent.

According to the calendar, six of the nine trips for which notice was published in the calendar were in response to invitations to visit laboratories, facilities, or private organizations dealing with consumer protection issues. The remaining three trips were to two other laboratories and a trade association. The calendar did not indicate who requested the meetings but, according to Mr. Statler, they also were made at the invitation of the laboratories and the association.

In addition to the trips to the Chicago area, Mr. Statler made 39 business-related trips to other locations during the period January 1980 through May 8, 1986. These trips covered a total of 171 days; 133 were spent on official business and 38 on personal leave During these 39 trips, Mr. Statler claimed lodging reimbursement for 66 nights and subsistence reimbursement for all or a portion of 113 days.

Notice of 36 of the 39 trips was published in CPSC's Public Calendar Two of three trips for which notice was not published in the calendar were to CPSC's field offices in Dallas and Boston and the third trip was to New York City for a radio interview. According to Mr Statler, none of the three involved "matters of substantial interest" covered by the policy calling for prior calendar notice.

According to the travel vouchers we examined, both Mr. and Mrs Statler were on government travel in San Francisco for their respective agencies on December 4, 1983. On December 5, Mr. Statler went from San Francisco to Honolulu to speak at a convention for the National Association of Attorneys General. Mr. Statler told us that his wife joined him in Honolulu entirely at her own expense after she completed her business in San Francisco and then returned to Washington, D.C., with him on December 11, 1983. Mrs. Statler's travel voucher showed she claimed only costs for her round trip travel from Washington, D.C., to San Francisco.

cpsc's travel policy prohibits cpsc employees from taking annual leave while on travel status, except in unique or emergency situations. This policy was established in January 1980, based on language contained in the conference report on the Fiscal Year 1980 Appropriation Bill for

Allegations Concerning Mr. Stuart M. Statler

HUD and Independent Agencies (H. Rep. No. 96-409, 96th Cong., 1st Sess., p. 10). However, the policy specifically exempts commissioners because they do not accrue annual leave.

EPA's travel policy is similar to CPSC's policy and provides that official travel where annual leave is involved, may not be approved except in unique or emergency situations. Mrs. Statler took 3 days of annual leave to join her husband in Hawaii. The 3 days of annual leave was specifically stated on the approved travel authorization issued in connection with her trip to San Francisco.

Allegation: Use of Government Mail for Personal Business

It was alleged that Mr. Statler used government mail for his personal business. We were asked to resolve this allegation through interviews with Mr. Statler's personal staff—a special assistant (counsel), and his secretary.

Findings

Mr. Statler's special assistant and his secretary—both of whom served him for more than a 5-year period—told us they knew of no instance where Mr. Statler used government mail for personal matters. Mr Statler denied any such use.

Request Letter

LARRY E. CRAIG

COMMITTEE ON INTERIOR

COMMITTEE ON GOVERNMENT OPERATIONS





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Congress of the United States Souse of Representatives

Mashington, B.C. 20515

The Hon. Charles A. Bowsher Comptroller General of the United States General Accounting Office

20548

Washington, D.C Dear Mr. Bowsher

441 G Street N.W.

I am in receipt of serious allegations that Commissioner Stuart Statler of the U.S. Consumer Product Safety Commission (CPSC) has been involved in the possible misuse of government resources for personal purposes

As the Ranking Minority Member of the House Government Operation s Subcommittee on Commerce, Consumer, and Monetary Affairs which has, general oversight of the CPSC, I request that the General Accounting Office begin an immediate inquiry into the following questions with regard to Commissioner Statler

- Has he ever used the Commission's General Counsel's Office for personal purposes, including work related to his wife's employment?
- Has he ever requested his personal or Commission staff to perform work related to personal business or personal matters?
- Has he ever had CPSC personnel examine, repair, evaluate, monitor, test, or sample any of his personal consumer products or items at either of his residencies in Virginia?
- Please review and evaluate all of his travel expenses, advances, and reimbursements to and from the city of Chicago since he has been with the CPSC. Please review and provide all public calendar notices issued by the CPSC and meeting logs of all such travel to Chicago and ascertain if any such travel was related to personal business concerning his wife or her family?

I look forward to a prompt report and evaluation of these allegations and a thorough investigation of the questions I have raised. In this time of reduced federil monies for safety, this use of scarce federal funds for personal use and enrichment, if true, is totally unacceptable

Sincerely,

Affairs

Rep Larry E Craig Subcommittee on Commerce, Consumer, and Monetary

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GAO/HRD-86-119 Allegations About a Former Commissioner

Request Letter

United States Senate

WASHINGTON, D.C. 20810

March 19, 1986

The Honorable Charles A. Bowsher Comptroller General of the U.S. General Accounting Office 441 G St., NW Washington, D.C. 20548

Dear Mr. Bowsher,

We are in receipt of serious allegations that Commissioner Stuart Statler of the U.S. Consumer Product Safety Commission has been involved in the possible misuse of government resources for personal purposes. The Washington Times carried an article reporting this allegation in its February 24, 1986 edition. (See the enclosed news story.)

We request that the General Accounting Office begin an immediate inquiry into the following questions with regard to Commissioner Statler:

- Has he ever requested that Commission staff or his personal staff perform work related to personal business?
- 2. Has he ever had Commission staff or his personal staff do any personal work related to his wife's current or past employment?

We look forward to reviewing your evaluation of the allegations reported in The Washington Times article and your investigation of the questions we have raised.

Test Jim

Steve Symms

JOIN F.E

John East

Use Delms

Jesse Helms

C d m n n m n 1 --

James A Mclure

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